



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

**C. WARREN NEEL, Ph.D.
COMMISSIONER**

**FOR IMMEDIATE RELEASE
March 13, 2002**

**CONTACT: JERRY ADAMS
(615) 741-2401**

February Revenues

Nashville – On an accrual basis February is the seventh month in the 2001-2002 fiscal year. Department of Revenue tax collections were \$493.3 million, a decrease of \$6 million or –1.20% over last year.

Revenues were \$18.4 million less than the budgeted estimates, Finance and Administration Commissioner C. Warren Neel announced today. The general fund had an undercollection of \$24.2 million and the four other funds overcollected by \$5.8 million for the month.

Sales tax collections increased by 0.01% in February which is \$6.4 million less than the estimate. Net of those collections, sales tax decreased by 0.39% for the month. February collections represent retail sales in January which means sales were well under the national retail sales increase of 3%.

Franchise and excise taxes combined were \$12.8 million for the month, a decrease of \$20.6 million or –61.64% for the month. Collections were \$21.8 million less than the estimate.

Gasoline taxes and motor vehicle registrations were \$6.1 million more than the budgeted estimate of \$79.4 million.

Year-to-date collections for seven months are \$179.5 million less than the budgeted estimates for all funds and \$182.7 million less than the general fund estimate.

Commissioner Neel stated, "The budgeted revenue estimates are based upon the State Funding board's consensus recommendation adopted by the first session of the 102nd General Assembly in June of this year."

<p align="center">REVENUE COLLECTIONS FEBRUARY, 2002, AND 7 MONTHS YEAR-TO-DATE</p>
--

February Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$396,370,000	\$372,185,000	(\$24,185,000)
Highway Fund	45,821,000	51,254,000	5,433,000
Sinking Fund	19,210,000	19,161,000	(49,000)
City & County Fund	48,139,000	48,467,000	328,000
Earmarked Fund	2,129,000	2,207,000	78,000
Total	\$511,669,000	\$493,274,000	(\$18,395,000)

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$3,453,997,000	\$3,271,327,000	(\$182,670,000)
Highway Fund	323,252,000	330,510,000	7,258,000
Sinking Fund	137,712,000	137,015,000	(697,000)
City & County Fund	361,377,000	356,554,000	(4,823,000)
Earmarked Fund	18,021,000	19,493,000	1,472,000
Total	\$4,294,359,000	\$4,114,899,000	(\$179,460,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	February		Change	Percent
	2001	2002		
Franchise & Excise	\$33,464,000	\$12,836,000	-\$20,628,000	-61.64%
Income	2,021,000	1,741,000	-280,000	-13.85%
Inheritance & Estate	4,899,000	9,112,000	4,213,000	86.00%
Gasoline	46,711,000	48,676,000	1,965,000	4.21%
Petroleum Special	5,225,000	4,948,000	-277,000	-5.30%
Tobacco	6,147,000	6,521,000	374,000	6.08%
Beer	1,150,000	1,270,000	120,000	10.43%
Motor Vehicle Registration	15,054,000	20,117,000	5,063,000	33.63%
Motor Vehicle Title	779,000	822,000	43,000	5.52%
Mixed Drink	2,478,000	2,723,000	245,000	9.89%
Business	310,000	461,000	151,000	48.71%
Privilege	10,417,000	12,848,000	2,431,000	23.34%
Gross Receipts	691,000	791,000	100,000	14.47%
TVA - In Lieu of Tax Payments	16,130,000	16,544,000	414,000	2.57%
Alcoholic Beverage	1,745,000	1,991,000	246,000	14.10%
Sales and Use	339,970,000	340,002,000	32,000	0.01%
Motor Vehicle Fuel	11,958,000	11,772,000	-186,000	-1.56%
Severance	96,000	99,000	3,000	3.13%
Coin-operated Amusement	0	0	0	-
Total	\$499,243,000	\$493,274,000	(\$5,969,000)	-1.20%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - February		Change	Percent
	2000-2001	2001-2002		
Franchise & Excise	\$510,259,000	\$410,741,000	-\$99,518,000	-19.50%
Income	16,254,000	15,370,000	-884,000	-5.44%
Inheritance & Estate	42,073,000	53,037,000	10,964,000	26.06%
Gasoline	337,780,000	337,243,000	-537,000	-0.16%
Petroleum Special	37,352,000	36,873,000	-479,000	-1.28%
Tobacco	47,226,000	48,145,000	919,000	1.95%
Beer	9,085,000	9,089,000	4,000	0.04%
Motor Vehicle Registration	90,475,000	109,288,000	18,813,000	20.79%
Motor Vehicle Title	5,925,000	5,972,000	47,000	0.79%
Mixed Drink	19,515,000	20,548,000	1,033,000	5.29%
Business	2,295,000	2,700,000	405,000	17.65%
Privilege	92,306,000	105,482,000	13,176,000	14.27%
Gross Receipts	15,801,000	15,608,000	-193,000	-1.22%
TVA - In Lieu of Tax Payments	113,720,000	117,165,000	3,445,000	3.03%
Alcoholic Beverage	17,682,000	17,825,000	143,000	0.81%
Sales and Use	2,726,556,000	2,722,824,000	-3,732,000	-0.14%
Motor Vehicle Fuel	85,952,000	86,319,000	367,000	0.43%
Severance	637,000	661,000	24,000	3.77%
Coin-operated Amusement	23,000	9,000	-14,000	-60.87%
Total	\$4,170,917,000	\$4,114,899,000	(\$56,018,000)	-1.34%

Table 3
August - February Revenue Overcollections/(Undercollections)
Budgeted Estimate

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Sales Tax	\$ (79,700,000)	\$ (4,300,000)	\$ (84,000,000)
Inheritance Tax	7,500,000	0	7,500,000
TVA Payment	800,000	600,000	1,400,000
Gasoline & Motor Vehicle Registration	600,000	6,200,000	6,800,000
Other Taxes	<u>5,100,000</u>	<u>700,000</u>	<u>5,800,000</u>
Sub-Total	\$ (65,700,000)	\$ 3,200,000	\$ (62,500,000)
F & E Taxes	<u>(117,000,000)</u>	<u>0</u>	<u>(117,000,000)</u>
Total	<u><u>\$ (182,700,000)</u></u>	<u><u>\$ 3,200,000</u></u>	<u><u>\$ (179,500,000)</u></u>

February Revenue Report

(in millions)

February is the 7th month of fiscal year 2001-02 on an accrual basis.

TOTAL TAX COLLECTIONS February 2002, \$493.3

Performance versus the estimate for the month

<u>Estimate</u>	<u>Difference</u>	<u>Percentage</u>
\$511.7	-\$18.4	-3.6%

TOTAL TAX COLLECTIONS Y-T-D February 2002, \$4,114.9

Performance versus the estimate Y-T-D

<u>Estimate</u>	<u>Difference</u>	<u>Percentage</u>
\$4,294.4	-\$179.5	-4.2%